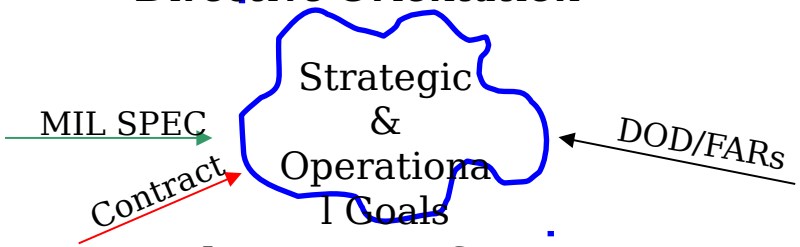
Process Management - Cycles of Improv

1940s to 1970s

Reactive Approach

Directive Orientation

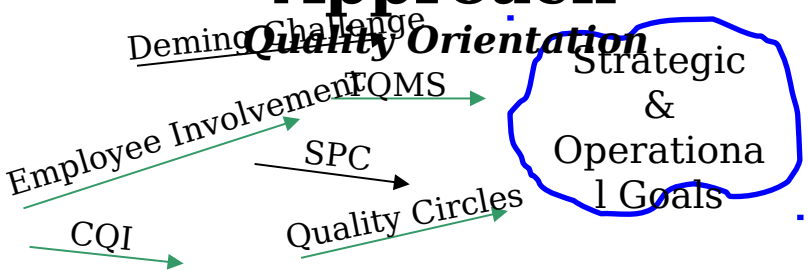


- **Used processes for many years**
- **Reacted, non-focused approach**

1980s to 1990

Early Systematic Approach

Quality Orientation

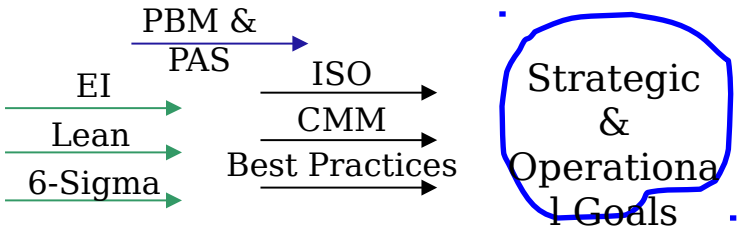


- **Started Continuous Improvement**

1990s to 2000

Aligned Approach

Process Orientation



- **Process Design & Management**
- **Process Assessment**
- **Process Improvement**

Today

Integrated Approach

Systematic Orientation

Business Excellence Framework

- Leadership
- Strategic Planning
- Customer & Market Focus
- Measurement, Analysis & Know. Mgmt
- Human Resource Focus
- Process Management
- Business Results

Strategic & Operational Goals

Tools to be applied to achieve business excellence

- Business Support Plan
- Benchmarking
- Comparative Data
- Breakthrough
- Best Practices
- EI
- Lean
- PBM
- CMM/CMMI
- 6-Sigma

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T-38C Avionics Upgrade Program Overview

Fwd Cockpit

- **Upgrade 511 USAF T-38 A/C to Digital Cockpits**
- **36 Aircrew Training Devices (Simulators)**
- **Avionics Logistics Support**
- **First Flight - 8 July 1998**
- **Production Planned through FY2008**

Provide Realistic Advanced Training for Future USAF Fighter/Bomber Pilots

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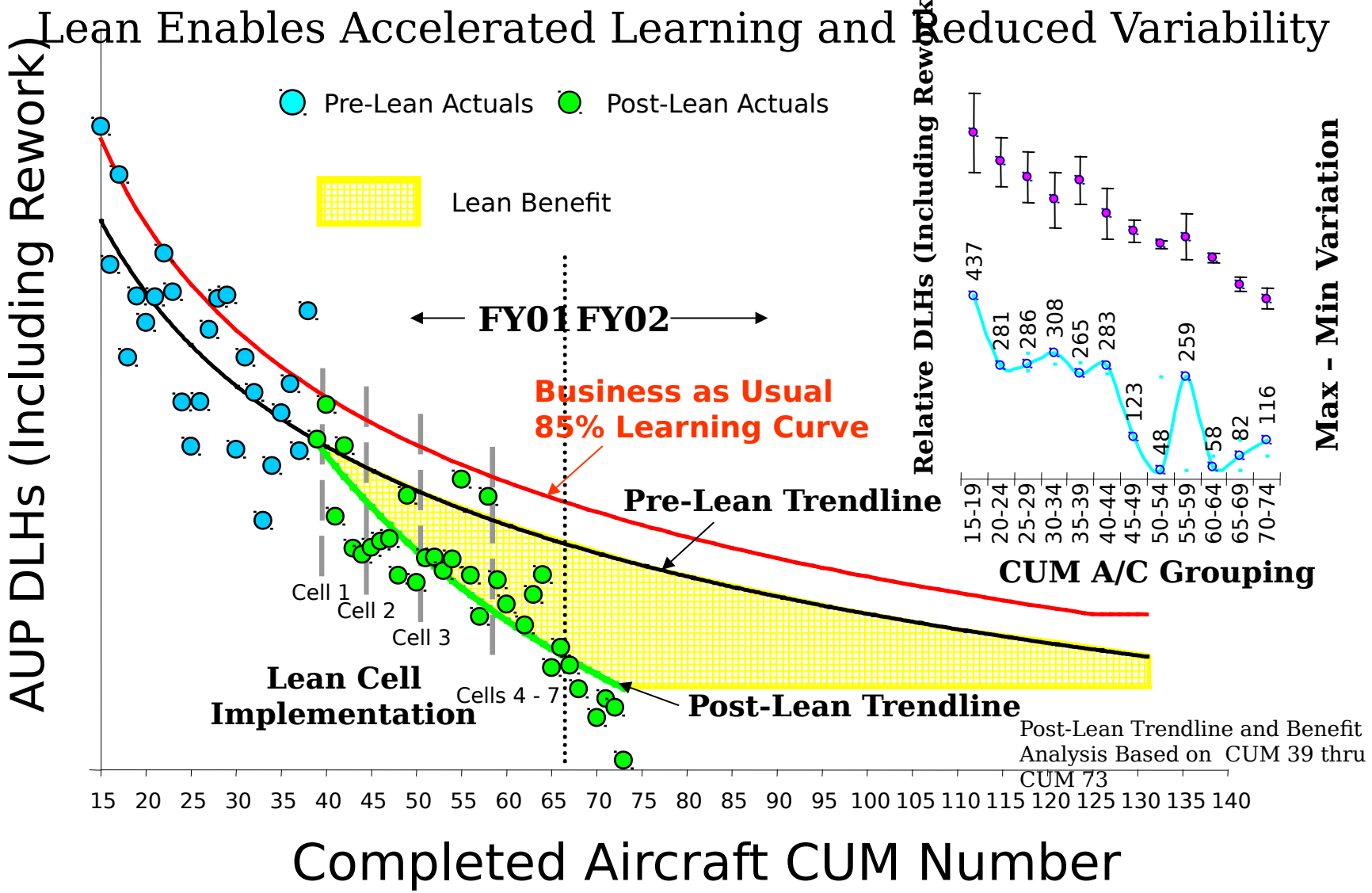
Mobilize the Commitment to Lean

Selling the Vision . . . . .

Metric	LRIP 1 (Dec '00)	Lean Baseline (Sept '01)	Future State (June '04)
Delivery (Units / Mo)	**1**	**4**	**8**
Cost (DLHs / Ship)	**100%**	**87%**	**30%**
Inventory (Units in Flow)	**6**	**14**	**9**
Cycle (M-Days)	**109**	**64**	**24**
Quality (Defects / 1K Hrs)	**NA**	**25.3**	**10.5**

Benefit of Lean Manufacturing



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Supply Chain Services Value Chain

Examples of Deployment

- Process Based Management on Quote, Order, and Delivery
- Accounts Receivable Process
- Direct delivery of shipments
- Common Processes across SCS
- Common Catalog
- Standard Asset Management Planning

Examples of Benefits

- Reduced account receivable backlog– 254% imp. in cash flow
- VIDS parts procurement from 4 days to 2 hours
- Improved F/A-18 supply availability from 65 % for C/D to 85% for E/F